

EXHIBIT B



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DEPARTMENT OF THE NAVY
NAVAL AUDIT SERVICE
1006 BEATTY PLACE SE
WASHINGTON NAVY YARD, DC 20374-5005

7510
2018-016
17 Nov 17

MEMORANDUM FOR DIRECTOR OF NAVAL CRIMINAL INVESTIGATIVE
SERVICE (NCIS)

Subj: **RESEARCH ON DEPARTMENT OF THE NAVY'S REPORTING
PROCESS OF CONVICTED OFFENDERS (2018-016)**

Ref: (a) SECNAV Instruction 7510.7F, "Department of the Navy Internal Audit"

1. In accordance with reference (a), we plan to conduct audit research on the subject audit immediately. The objective of this research is to gather background information pertaining to Department of the Navy's reporting process of convicted offenders to the National Crime Information Center (NCIC) database. Our research will also identify key players and define the scope and approach for the upcoming audit.
2. We may contact your office to arrange a meeting to discuss the audit research, including the planned audit objective, scope, and methodology. We may also request additional briefings on matters related to the research and, if needed, will advise you if we have any need for special support requirements, including access to automated information systems and related assistance. We would appreciate any thoughts of areas of concern you or your staff may have that fall within the scope of the planned DON reporting process of convicted offenders audit. This will help us better focus our audit effort and allow us to address areas of concern to you.
3. We may contact or visit commands and activities on the distribution list of this letter. Other commands and activities may also be contacted or visited as the audit research progresses. Names and security clearances of the audit staff will be provided in a separate visit request.
4. If you have any questions, Ms. Keri Miller, Project Manager, has management responsibilities for this audit. She can be reached by telephone at (202) 433-6920 or by e-mail at keri.l.miller@navy.mil. You may also address questions to Mr. Scott Lee, Audit Director, at (202) 433-3835 or scott.lee@navy.mil.

A handwritten signature in cursive script, reading "Ronnie J. Booth".

RONNIE J. BOOTH
Acting Assistant Auditor General
Manpower and Reserve Affairs Audits

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NAVAL AUDIT SERVICE
1006 BEATTY PLACE SE
WASHINGTON NAVY YARD, DC 20374-5005

7510
2018-016
5 Feb 18

MEMORANDUM FOR DIRECTOR OF NAVAL CRIMINAL INVESTIGATIVE SERVICE
(NCIS)

Subj: **COMPLETION OF RESEARCH ON DEPARTMENT OF THE NAVY'S
REPORTING PROCESS OF CONVICTED OFFENDERS (RESEARCH
COMPLETION LETTER 2018-016)**

Ref: (a) SECNAV Instruction 7510.7G, "Department of the Navy Internal Audit"
(b) NAVAUDSVC memo 2018-016, dated 17 November 2017

Encl: (1) DoDIG Report 2018-035 Recommendation Status
(2) DON Planned Corrective Actions

1. We have completed work on the subject audit research announced in reference (b) in accordance with reference (a). **We will not be proceeding to audit at this time, but we are including observations from our research.** The research objective was to gather background information pertaining to the Department of the Navy's (DON's) reporting process of convicted offenders to the National Crime Information Center database and to identify key players and define the scope and approach for the upcoming audit.

2. During our audit research, Department of Defense Inspector General (DoDIG) published an audit report (2018-035) on 4 December 2017. DoDIG evaluated the reporting process of convicted offenders to the National Crime Information Center database for all the military services for the time period of 01 January 2015 through 31 December 2016. The results showed that DON did not always report qualifying convictions as required. Specifically, DON did not submit 243 of 811 (30 percent) fingerprint cards (Form FD-249s) and 289 of 811 (36 percent) final dispositions (Form R-84s) to the FBI Criminal Justice Information Service (CJIS) database as required. DoDIG made recommendations to both the Navy and the Marine Corps to mitigate the deficiencies identified (Enclosure 1). Both the Navy and the Marine Corps concurred with all recommendations and have been in the process of implementing corrective actions, which are expected to be completed by September 2018 (Enclosure 2). The planned corrective actions include establishing a task force led by the Naval Criminal Investigative Service (NCIS) to ensure that convicted offenders are being recorded in the National Crime Information Center database.

3. **We have concluded that it is necessary to provide DON an opportunity to implement the planned corrective actions before considering an audit of DON's Reporting Process of Convicted**

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REPORTING PROCESS OF CONVICTED OFFENDERS (RESEARCH
COMPLETION LETTER 2018-016)**

Offenders. Therefore, we are concluding research and will not issue a report under project number 2018-016. However, we plan to include an audit of DON Reporting Process of Convicted Offenders in a future DON Annual Audit Plan. We are also including some observations of interest and related suggestions in this letter.

4. **Observations.** We would like to share the observations we made during audit research and submit our suggestions to the Director of NCIS for consideration. It should be noted that our observations were based on limited work and were not verified as we normally do in an audit.

a. *Background.* DoD Instruction 5505.11, "Fingerprint Card Print and Final Disposition Report Submission Requirements," requires submission of all fingerprint cards (FD-249s) to the FBI CJIS database within 15 days of initiated military judicial proceedings. Additionally, within 15 days after final disposition of military judicial proceedings, or approval of a request for discharge, retirement, or resignation in lieu of court-martial, disposition information shall be reported on the R-84, if not already reported on an FD-249.

b. *Live Scanning Capability.* Per NCIS Manual 3, Chapter 37, "Biometrics," NCIS must submit FD-249s electronically via fingerprint scanning equipment and software known as "live scan." [REDACTED]

c. *Process of Tracking Submission of Form R-84.* Per NCIS Manual 3, Chapter 37, "Biometrics," the submitting component is responsible for sending the R-84 directly to the FBI. [REDACTED]

5. **Suggestions.** We suggest the following to the Director of NCIS for consideration:

6. To obtain information or clarification regarding this effort, contact Mr. Scott Lee, Audit Director, at DSN 288-3835 or commercial (202) 433-3835. You may also reach him by email at scott.lee@navy.mil. Please address any correspondence to Mr. Lee at the above address.

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COMPLETION LETTER 2018-016)**


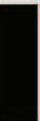
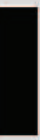
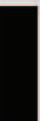


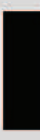







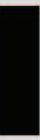

7. We appreciate the cooperation and courtesies extended to our auditors.



RONNIE BOOTH
Acting Assistant Auditor General
Manpower and Reserve Affairs Audits

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FOR OFFICIAL USE ONLY (FOIA EXEMPTIONS B(5) AND B(6) APPLY)**Enclosure 1. DoDIG Report 2018-035 Recommendation Status**

Number	Recommendations	*Status	Estimated Completion Dates		
			NCIS	CNIC	USMC
1	Submit fingerprint cards and final dispositions identified as missing during audit.				
2	Perform comprehensive review back to at least 1998 and submit missing records.				
3	Ensure that command, supervisory, and management oversight controls verify compliance and ensure that such compliance is included as a special interest item in OIG inspections.				
4	Conduct a comprehensive review of criminal history reporting programs to ensure processes are consistent with DoD Instruction 5505.11.				

***As of publication date, 04 December 2017.**

CNIC = Commander, Navy Installations Command
OIG = Inspector General
USMC = Marine Corps
TBD = To be determined

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DoD OIG 000955

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Enclosure 2. DON Planned Corrective Actions

NCIS	<ol style="list-style-type: none"> 1. Field offices will review all case files currently in their possession (active and closed in the past 12 months) to verify fingerprints have been taken and submitted as required. 2. NCIS HQ, Criminal Investigation Directorate, will validate each field office submission and remit any cases requiring corrective action back to the field office for completion. 3. NCIS HQ will query all case files from 1-Jan-98 through 30-Sep-16 (historical cases) to determine which have fingerprints submitted to NCIC. 4. Submit R-84 for historical cases with fingerprints in NCIC but missing final disposition report.
CNIC	<ol style="list-style-type: none"> 1. Direct Navy Security Forces (NSF) to promptly take action to submit missing fingerprint cards and final disposition reports. 2. Initiated and directed all NSF to conduct a comprehensive review of all entities in the Navy CLEOC database and verify compliance of FD-249 and R-84 submission. 3. Ensure that command, supervisory and management oversight controls verify compliance with FD-249 and R-84 submissions. 4. Incorporate compliance verification as a special interest item in future IG inspections and conduct checks as part of the inspection cycle.
USMC	<ol style="list-style-type: none"> 1. Installation Provost Marshal's Offices and Criminal Investigation Directorate offices will review all incident reporting and determine if fingerprints were submitted to the FBI for the period of 1-Jan-15 through 31-Oct-17. 2. IG functional checklist for MP and CID addresses fingerprinting of suspects and collection of DNA; Policy will be updated to spell out oversight controls. 3. MCO 5580.28 w/CH2 is under review for rewrite and will encompass policy, training and process standards.

*** As of publication date, 04 December 2017.**

CID = Criminal Investigation Division
 CLEOC = Navy Consolidated Law Enforcement Operations Center
 HQ = Headquarters
 NCIC = National Crime Information Center
 MCO = Marine Corps Order
 MP = Military Police

 ENCLOSURE 2
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